

DECISION-MAKER:	CABINET		
SUBJECT:	SUPPORTED BUS SERVICES CONTRACT AWARDS		
DATE OF DECISION:	21 DECEMBER 2009		
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
AUTHOR:	Name:	Simon Bell	Tel: 023 8083 3814
	E-mail:	simon.bell@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None.

SUMMARY

This report seeks approval for the Cabinet to award bus contracts to operators following tendering of supported bus services. The Council has obtained prices for 19 contracts currently operating as listed in Appendix 1 and recommended award of 16 contracts listed. Awarding these contracts will allow the continuation of services.

RECOMMENDATIONS:

- (i) To approve the award of contracts listed in Appendix 1.
- (ii) To delegate to the Director of Environment, following consultation with the Cabinet Member for Environment and Transport, authority to make any further changes and awards following subsequent changes to commercial bus services.

REASONS FOR REPORT RECOMMENDATIONS

1. The majority of the supported bus contracts expire early in 2010. Following a review of these contracts the Council has obtained prices for various services including different levels of service to those currently supported. An award needs to be made at this time in order that operators can be given sufficient time to make the necessary arrangements to start in February 2010. The services to be recommended for award are those with the greatest patronage and lowest subsidy per passenger so target the limited resources to those offering greatest benefit.

CONSULTATION

2. These proposals will be considered at the bus users group meeting on 26 November 2009. Any comments received by Officers will be fed back to Cabinet verbally at the decision meeting.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. It is possible for the Council to award any combination of contracts or not to award any contracts for supported bus services.

DETAIL

4. The majority of supported bus contracts are due for renewal in early February 2010. This year for the first time, the Council has used an e auction to obtain

tenders for bus contracts. This allows all operators bidding to see the lowest price currently bid to compare with the price they have submitted. It has produced significant savings to the Council when procuring other Supplies and Services outside Public Transport. These contracts allow residents and visitors to access services and facilities in the city from communities that would have no access to public transport.

5. In order to protect the Council from possible exploitation by bus operators, maximum prices were set for each contract which were based on the existing contract price plus between 5% and 30% increase depending on the type of service. Prices were also obtained for various reductions in frequency to ensure it would be possible to award a level of service which would cover the City should contract prices be increased. Around 40% of contracts did not receive any bid as the Council's maximum price was found to be too low for operators to consider bidding. Under the system operators can submit a group price for a combination of tenders. This can be cheaper where the costs of operating multiple contracts results in economies of scale for the operator which are then passed on in lower tender prices.
6. The tenders have been submitted significantly higher than expected or by comparison with previous years. With the changes to services listed below the impact of these costs increases can be accommodated within the agreed budget for supported services.
7. Award contracts for the following supported services where there is no change:
 - 4 City Centre – Millbrook (Sun/BH)
 - 8/8A Lords Hill- Moorgreen Hospital via City (evenings daily)
 - 10 Lords Hill – Thornhill via City (evenings daily)
 - 14 City – Bitterne via Mansbridge (Mon – Sat off peak)
 - Bitterne Hoppa (Mon – Sat off peak)
 - U6 University – General Hospital (Mon – Sat evenings and Sunday daytimes and evenings)
8. Proposed contracts to be awarded where there is a change include:
 - Services 21 and 22 Royal South Hants Hospital to Lords Hill via Freemantle, Regents Park, Shirley, Upper Shirley and Lordswood is an all day service supported by the Council. The contract price has increased by over 60% to operate both routes. The Council received a separate bid for service 21 which was 30% more than the current price. It is suggested that a contract be awarded for service 21. The 22 service was recently retendered as an hourly service between the city centre and Shirley only rather than to Lords Hill. This has reduced the tender price by £70,000. This will result in a reduction of service for residents on the section between Shirley and Lords Hill although there will still be an hourly service.
 - Service 13 City Centre to Sholing via Northam and Bitterne operates hourly after 2000 on Mondays to Fridays and 1800 on Sundays supported by the Council. Service 13 provides evening and Sunday version of services 11A/11C and 12A/12C which are commercial. First have indicated to the Council that they are unwilling to operate the service

commercially between 1830 and 2000 on week days (before the supported journeys commence). The majority of passengers have alternative journeys available on commercial service 18 with just the section of Bursledon Road east of Kathleen Road and Botley Butts Roads unserved. No contract should be awarded for these services reducing costs by £34,620.

- Service 15 Weston to Bitterne via Thornhill was an hourly off-peak council supported service introduced in 2008 to replace lost links following commercial service changes. There have been further commercial changes in 2009 which means the cross Thornhill link has been restored commercially every 20 minutes all day. Passengers from Weston can undertake the journey by changing buses in Woolston. No award will be made for this service reducing costs by £33,000.
- Service 154 Thornhill to Springhill School via Harefield, Bitterne and Northam providing one return journey designed to coincide with school hours but open to all. Half the passengers board the bus in the city centre where an alternative commercial service is available. The school also contracts its own service from Bassett Green and Portswood and it would be possible to combine the two into one service supported by the school. Award this contract for the period until the end of July 2010 to allow children to complete their academic year cost reduction of £26,000 in 2010/11 and £40,000 in 2011/12.

9. The Council has commissioned a strategic review of the supported bus network which will be available in early summer and allow the council to identify a longer term strategy for supported services. In addition a review of the current bus strategy will also take place.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

10. None

Revenue

11. The cost of awarding all the services, as they now stand in 2009/10, would significantly exceed the draft 2010/11 revenue budget for Supported Bus Services of £724,200 (subject to full Council approval on 17th February 2010). The cost of awarding the Contracts shown in Appendix 1 is £679,345, which can be met from the draft 2010/11 revenue budget. The remainder of the budget will fund additional Public Transport services.

Property

12. None

Other

13. There are no other implications.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

14. The discretionary power to subsidise public transport services is contained within the Transport Act 1985. The power is subject to compliance with sections 89-92 of

the Act to cooperate with other authorities to secure, in the interests of the ratepayers of their areas, the best value for money from their expenditure on public passenger transport, taken as a whole and to tender for such services in accordance with the provisions within the Act.

Other Legal Implications:

- 15. In exercising its powers under the Transport Act 1985 the Council is required to have regard to the impact of its decision on individuals in accordance with the Human Rights Act 1998 and Equalities legislation and to have regard to the Council's duties under s.17 Crime & Disorder Act 1998 to exercise its functions with a view to reducing or eliminating Crime & Disorder in its area.

POLICY FRAMEWORK IMPLICATIONS

- 16. The provision of supported bus services helps the council meet its targets for increasing the use of sustainable travel modes and bus travel in particular. It accords with the policy direction of the City's published Local Transport Plan 2006 – 2011 and the Community Strategy.

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

1.	Details of tender prices
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Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.		
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Background documents available for inspection at:

FORWARD PLAN No: ET03245 **KEY DECISION?** YES

WARDS/COMMUNITIES AFFECTED:	ALL
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